

CRITICAL SUCCESS FACTORS (CONTINUED)

MANAGE HANFORD TO ACHIEVE PROGRESS

We will manage the program elements and the infrastructure of Hanford as projects and provide an integrated management approach incorporating best commercial standards and practices, process improvements, and reengineering. Strong emphasis will be placed on desired outcomes and real physical progress.

Managing Hanford to achieve measurable progress ties to cost and schedule performance, controlled project baselines, and performance measures to results. Evidence of Hanford's progress management can be perceived through the data provided throughout this section, including demonstrated cost/schedule performance, and milestone achievement.

DEMONSTRATED COST/SCHEDULE

Fiscal year-to-date through March, the Site is experiencing an unfavorable schedule and favorable cost variance. These variances are essentially at the threshold for reporting. The schedule variances are being addressed individually; the cost variances do not merit action at this time.

COST PERFORMANCE (\$M):

	BCWP	ACWP	Variance
Total Hanford Projects	\$519.2	\$507.6	\$11.7

Fiscal-year-to-date (FYTD) cost performance reflects a 2 percent (\$11.7 million) favorable cost variance that is within the established +10/-5 percent threshold. The current variance is primarily due to credit variance distributions associated with indirect reductions and fee over accrual, and Waste Management's deliberate management of staff vacancies and other targeted reductions. In addition, the ER favorable cost variance is due to performance efficiencies and productivity. Details of the variance can be found in the individual project sections.

SCHEDULE PERFORMANCE (\$M)

	BCWP	BCWS	Variance
Total Hanford Projects	\$519.2	\$584.8	- \$65.5

MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

There is an 11 percent (\$65.5 million) unfavorable schedule variance that exceeds the established +10/-7.5 percent threshold. Underlying factors, which contribute to the unfavorable schedule variance, include the timing of the budgeting process and associated changes in funding levels.

As a result, some project baselines currently identify more work scope than is actually planned to be performed. A prime example is the Facility Stabilization Project that received a \$20 million reduction in Line Item funding and recently processed a change request to modify the baseline. In addition, the TWRS project continued to operate under an Advanced Work Authorization until their baseline can be updated to incorporate the recently approved FY 1999 Multi-Year Work Plan. Due to timing issues, the baseline cost has been updated, but associated schedules will not be modified until next month's report.

Another significant contributor to the schedule variance continues to be optimistic planning for the amount of work that can be accomplished during the winter months. Due to inclement weather, such aggressive plans could not be achieved. For example, TWRS experienced delays in both Tank 241-C-106 Sluicing and core and grab samples due to high winds.

Projects have historically accelerated progress in the spring and baselines are expected to become more stable during the second half of the year. However, if the schedule is not fully recovered, there is a potential for increased Site uncOSTed balances at fiscal year end.

The following Cost/Schedule and Variance to Plan charts provide an overall graphical view of fiscal year to date performance. In addition to year-to-date performance, the first chart shows the budget phasing for the entire year. The second chart portrays cost and schedule performance indicators. The table following the charts is a detailed breakout by Project, by fund type, year-to-date performance, and baseline totals for the year.

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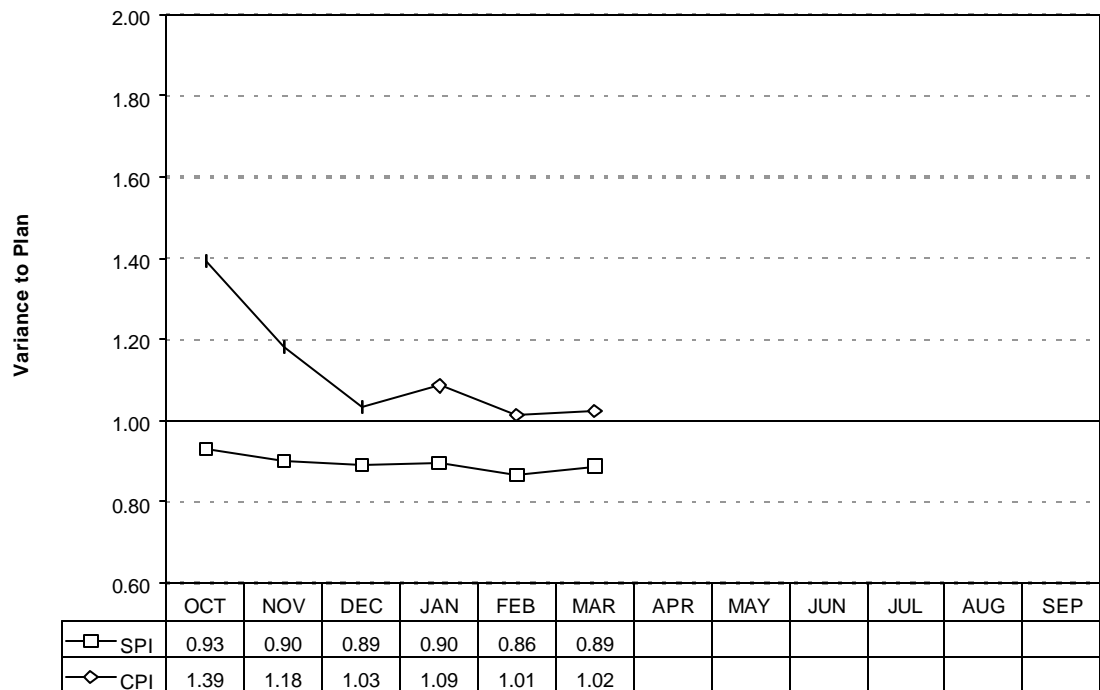
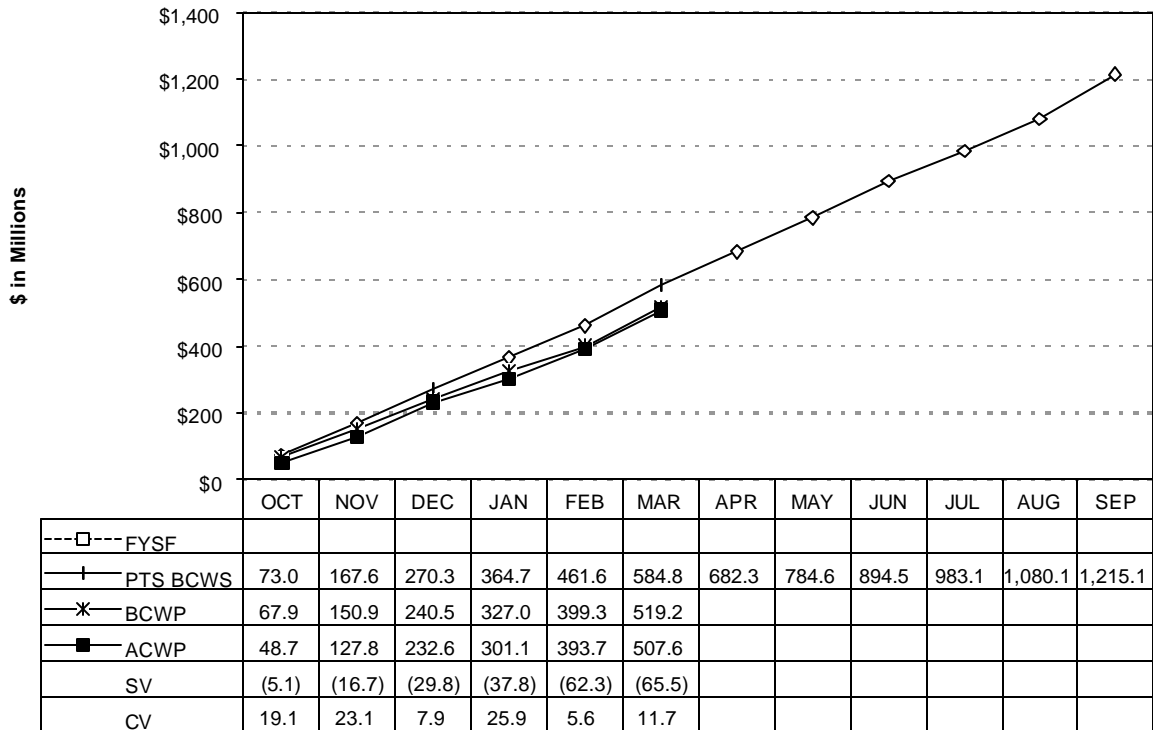
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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

TOTAL ALL HANFORD PROJECTS

FY 1999 COST/SCHEDULE PERFORMANCE - ALL FUND TYPES

Cumulative to Date Status



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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)
TOTAL ALL HANFORD PROJECTS

			FYTD					CUR	PTS
			BCWS	BCWP	ACWP	SV	CV	BSLN	BCWS
1.1	TWRS	Expense	151.4	133.3	129.4	(18.1)	3.9	299.5	302.7
		CENRTC	0.0	0.0	0.1	0.0	(0.1)	0.0	0.0
		GPP/LI	8.4	7.9	8.7	(0.5)	(0.8)	13.5	24.3
	Subtotal 1.1		159.8	141.2	138.1	(18.6)	3.0	313.0	327.1
1.2	Waste Management	Expense	59.5	56.2	50.5	(3.4)	5.6	120.0	120.8
		CENRTC	0.3	0.1	0.1	(0.2)	0.0	0.4	0.4
		GPP/LI	1.9	1.7	1.3	(0.2)	0.5	2.2	2.6
	Subtotal 1.2		61.7	58.0	51.9	(3.7)	6.1	122.6	123.8
1.3	Spent Nuclear Fuel	Expense	60.5	58.1	55.0	(2.5)	3.1	133.7	133.7
		CENRTC	8.2	6.1	9.7	(2.2)	(3.7)	16.7	16.7
		GPP/LI	20.4	16.7	18.2	(3.7)	(1.6)	41.6	41.6
	Subtotal 1.3		89.1	80.8	83.0	(8.3)	(2.2)	192.1	192.1
1.4	Facility Stabilization	Expense	79.0	73.6	74.1	(5.4)	(0.4)	160.2	165.2
		CENRTC	0.0	0.0	0.0	(0.0)	0.0	0.1	0.1
		GPP/LI	19.8	0.8	1.0	(19.0)	(0.2)	26.8	26.8
	Subtotal 1.4		98.8	74.5	75.1	(24.3)	(0.6)	187.1	192.1
1.5	Landlord	Expense	5.0	3.7	4.9	(1.3)	(1.2)	9.3	9.3
		CENRTC	0.8	0.9	0.6	0.1	0.3	1.9	1.9
		GPP/LI	2.4	2.4	2.5	(0.0)	(0.1)	5.0	5.0
	Subtotal 1.5		8.1	6.9	7.9	(1.2)	(1.0)	16.2	16.2
1.6	Environmental Restoration	Expense	71.6	66.3	61.5	(5.4)	4.8	153.9	153.9
		CENRTC	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		GPP/LI	0.6	0.6	0.6	0.1	0.0	1.5	1.5
	Subtotal 1.6		72.2	66.9	62.1	(5.3)	4.8	155.4	155.4
1.7	Science & Technology	Expense	7.4	7.0	6.3	(0.5)	0.7	15.5	15.6
		CENRTC	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		GPP/LI	0.4	0.2	0.1	(0.2)	0.1	0.5	0.4
	Subtotal 1.7		7.8	7.2	6.4	(0.6)	0.8	16.0	16.0
1.8	Support	Expense	49.9	49.2	48.3	(0.7)	1.0	109.0	108.3
		CENRTC	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		GPP/LI	0.3	0.3	0.3	0.0	0.0	0.0	0.3
	Subtotal 1.8		50.2	49.6	48.6	(0.7)	1.0	109.0	108.6

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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)
TOTAL ALL HANFORD PROJECTS (Continued)

			FYTD					CUR	PTS
			BCWS	BCWP	ACWP	SV	CV	BSLN	BCWS
1.9	HAMMER	Expense	2.1	2.1	3.1	0.0	(1.0)	4.7	4.4
		CENRTC	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		GPP/LI	0.0	0.0	0.4	0.0	(0.4)	0.0	0.0
	Subtotal 1.9		2.1	2.1	3.5	0.0	(1.4)	4.7	4.4
1.10	TWRS Regulatory Unit	Expense	2.2	2.1	1.8	(0.1)	0.3	5.0	5.0
		CENRTC	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		GPP/LI	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal 1.10		2.2	2.1	1.8	(0.1)	0.3	5.0	5.0
1.11	National Programs	Expense	2.3	1.4	2.2	(0.9)	(0.8)	7.1	7.1
		CENRTC	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		GPP/LI	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal 1.11		2.3	1.4	2.2	(0.9)	(0.8)	7.1	7.1
1.12	Advanced Reactors Trans	Expense	20.2	19.4	18.1	(0.8)	1.3	42.8	42.8
		CENRTC	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		GPP/LI	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal 1.12		20.2	19.4	18.1	(0.8)	1.3	42.8	42.8
	Tech Development	Expense	10.0	9.1	8.7	(0.9)	0.4	27.6	24.4
	(EM50)	CENRTC	0.1	0.1	0.1	0.0	0.0	0.1	0.1
		GPP/LI	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal EM50		10.1	9.2	8.8	(0.9)	0.4	27.7	24.5
Total Hanford Site Projects	Expense		521.3	481.4	463.9	(39.9)	17.5	1,088.4	1093.3
	CENRTC		9.4	7.1	10.5	(2.2)	(3.4)	19.2	19.2
	GPP/LI		54.4	30.7	33.2	(23.4)	(2.5)	94.1	102.6
Total (less privatization)			584.8	519.2	507.6	(65.5)	11.7	1198.7	1215.1

Notes:

\$ in Millions

- CUR BSLN = Current Baseline (October 1, 1998 MYWP plus/minus approved baseline change requests).
- TWRS PTS BCWS of \$327.1M incorporates BCRs for line item carryover work scope [W-314 (\$6,707K) and W-211 (\$4,100K)]. These BCRs were submitted on March 11, 1999 but not approved prior to month end. In addition, \$2,800K associated with Hanford Tank Initiatives (HTI) work scope is also included.
- Waste Management has included RL-Directed costs (e.g. steam and laundry) in the \$123.8M PTS BCWS.
- Facility Stabilization PTS BCWS includes \$5.0M RL-Directed costs (e.g. steam and laundry). In addition, both PTS BCWS and the current baseline of \$187.1 do not reflect BCR FS-99-010 that reduces the baseline by \$17.4M. Both PTS and the current baseline will be adjusted once DOE-RL final approval is received.
- Mission Support PTS BCWS omits \$300K of additional Systems Engineering work scope. This will be corrected in future reports. The current baseline, as reflected on this table, also includes \$1,300K of RL holdbacks and transfers.
- The \$350K discrepancy between HAMMER current baseline and PTS BCWS is attributable to work scope directly controlled by RL. A BCR is in process to reduce the baseline by this amount.
- Both the current baseline and PTS BCWS for Advanced Reactors Transition includes work scope funded by Nuclear Energy (NE). However, the MYWP amount reflected on page B: 8-7 covers EM-funded work scope only.
- Technology Development excludes \$2,800 for HTI (included in WBS 1.1 above). In addition, \$435K was added to the current baseline but not reflected in PTS due to timing issues.

MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

ESTABLISHING AND CONTROLLING BASELINES

The following Project Baseline Chart depicts each Hanford Project's Cost Baseline for comparison from original start of the Fiscal Year to the current cost baseline as reflected by approved Change Requests. The Pending Changes provide for an assessment of the potential cost baseline if all pending Change Requests were approved. The last column on the chart identifies the change (increase or decrease) in percent to the current cost baseline since the start of the fiscal year.

A majority of the baseline reductions are associated with decreased funding levels allocated through the FY 1999 President's budget.

On the page following the Project Baseline is the Plan 2006 Baseline. The MYWP & Approved Changes graphical line represents the current Multi-Year Work Plan and all approved baseline change requests as of the publication date. All baseline data reflects an October 1, 1996 (FY97) start date through the end of FY 2046. The PBS graphical line represents the FY2000 Budget Submittal that was completed in January 1998. The difference between the two sources is mainly in the area of TWRS Privatization, where the assumptions and timing overlaps of the Phases have changed.

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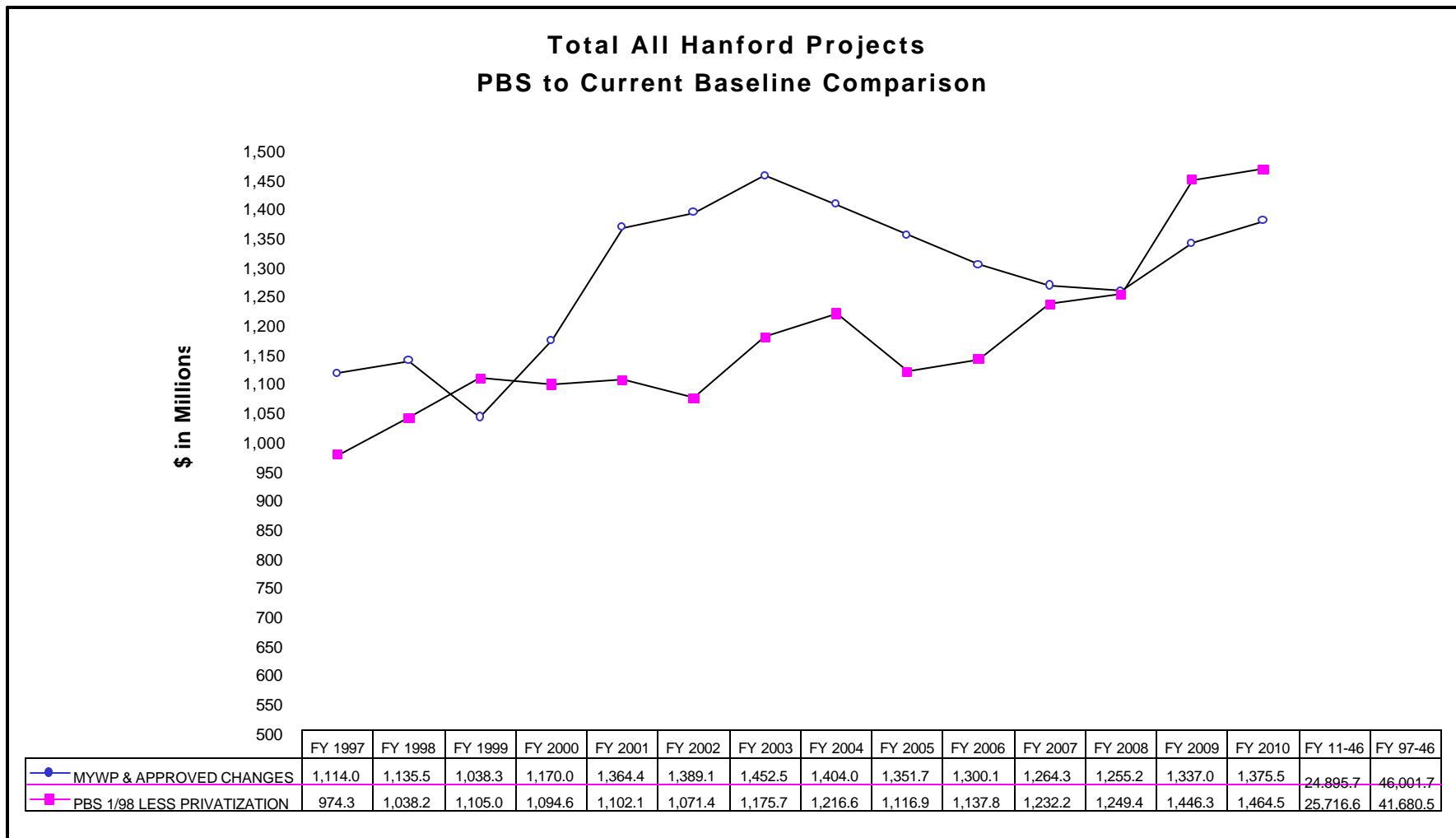
MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)
FY 1999 PROJECT BASELINES

WBS	Title Multi-Year Work Plan (MYWP)	Project's Initial Baseline OCT 1, 1998	Approved Changes to Date	Current Baseline	Pending	Potential Baseline	Percent of Approved Change to Baseline
1.1	Tank Waste Remediation System	\$ 359,030	\$ (46,030)	\$ 313,000	\$ 3,820	\$ 316,820	-13%
1.2	Waste Management	\$ 133,747	\$ (10,822)	\$ 122,925	\$ (4,402)	\$ 118,523	-8%
1.3	Spent Nuclear Fuel	\$ 181,608	\$ 10,446	\$ 192,054	\$ -	\$ 192,054	6%
1.4	Facility Stabilization	\$ 215,512	\$ (45,506)	\$ 170,006	\$ -	\$ 170,006	-21%
1.5	Landlord	\$ 12,727	\$ 3,436	\$ 16,163	\$ (128)	\$ 16,035	27%
1.8.2.1.1	Planning and Integration	\$ 5,300	\$ -	\$ 5,300	\$ -	\$ 5,300	0%
1.8.2.1.2	Systems Engineering	\$ 770	\$ 273	\$ 1,043	\$ 150	\$ 1,193	35%
1.8.2.1.3	Environmental Support	\$ 12,977	\$ (452)	\$ 12,525	\$ -	\$ 12,525	-3%
1.9	HAMMER	\$ 4,704	\$ -	\$ 4,704	\$ 1,482	\$ 6,186	0%
1.12	Advanced Reactors Transition	\$ 1,855	\$ (34)	\$ 1,821	\$ -	\$ 1,821	-2%
TOTAL MYWPs		\$ 928,230	\$ (88,689)	\$ 839,541	\$ 922	\$ 840,463	-10%
1.11.1.1	Transportation & Packaging Services	\$ 2,200	\$ -	\$ 2,200	\$ -	\$ 2,200	0%
1.11.2.1	Waste Minimization	\$ 4,500	\$ -	\$ 4,500	\$ -	\$ 4,500	0%
1.11.3.1	Richland Analytical Services	\$ 400	\$ -	\$ 400	\$ -	\$ 400	0%
1.11.4.1	Emergency Preparedness	\$ -	\$ -	\$ -	\$ -	\$ -	0%
TOTAL OTHERS		\$ 7,100	\$ -	\$ 7,100	\$ -	\$ 7,100	0%
TOTAL FDH		\$ 935,330	\$ (88,689)	\$ 846,641	\$ 922	\$ 847,563	-9%
1.7	Science & Technology	\$ 15,452	\$ 537	\$ 15,989	\$ -	\$ 15,989	3%
1.8.2.1.4	Public Safety and Resource Protection	\$ 6,100	\$ 91	\$ 6,191	\$ -	\$ 6,191	1%
TOTAL PNNL		\$ 21,552	\$ 628	\$ 22,180	\$ -	\$ 22,180	3%
1.6	Richland Environ. Restoration (DWP)	\$ 151,724	\$ 3,705	\$ 155,429	\$ -	\$ 155,429	2%
TOTAL BHI		\$ 151,724	\$ 3,705	\$ 155,429	\$ -	\$ 155,429	2%
1.8.1	Site Support	\$ 16,400	\$ 13,300	\$ 29,700	\$ -	\$ 29,700	0%
1.10	TWRS Regulatory Unit	\$ 5,013	\$ 28	\$ 5,041	\$ -	\$ 5,041	1%
TOTAL RL		\$ 21,413	\$ 13,328	\$ 34,741	\$ -	\$ 34,741	62%
EM - 50	Technology Development	\$ 20,500	\$ 7,200	\$ 27,700	\$ -	\$ 27,700	35%
TOTAL SITE		\$ 1,150,519	\$ (63,828)	\$ 1,086,691	\$ 922	\$ 1,087,613	-6%

\$ in Thousands

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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)
PLAN 2006 BASELINE E



MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

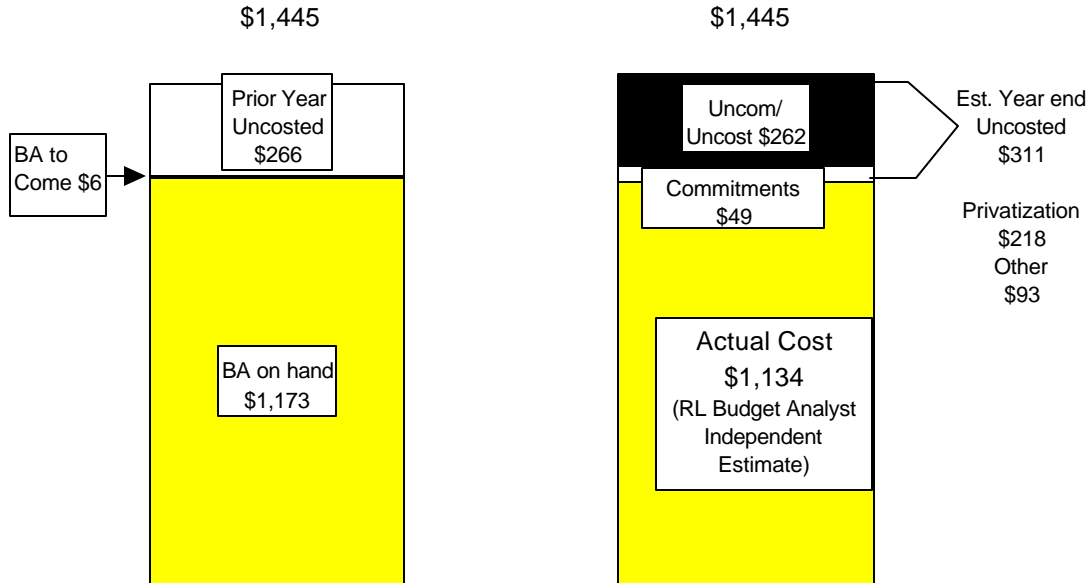
FUNDS MANAGEMENT AND CONTROL CHARTS SUMMARY

TOTAL HANFORD EM (FY99 Funds Management & Control) – The objective of this section is to provide an independent funds control analysis, from a Richland Chief Financial Officer (CFO) perspective. The CFO Organization's Budget Analysts are tasked with the responsibility to perform funds control analysis, identify areas of concern, and to provide this information to RL Management, for their use in the management of Hanford. The analysis provides an estimate of the year-end uncosted balances for Environmental Management (EM) (\$92.9M in FY 1999 compared to \$115.5M in FY 1998), excluding Privatization. The uncosted estimate for Privatization is \$218M in FY 1999. The significant change from the February report is that the analysis no longer projects a potential for RL to exceed the total available funding at the POST 2006 control point, due to the successful TWRS reprogramming. The March report reflects estimates based on the approved reprogramming and other minor changes made to the estimated funding profile, cost, and commitment numbers in other programs. A summary chart, followed by a detailed breakout of the data, is provided.

TOTAL HANFORD EM PROGRAMS (Historical Summary of Uncosted) – The objective of this chart is to provide a historical view of RL's uncosted balances. The chart graphically demonstrates the continual decline in the uncosted balances from FY 1993 to FY 1999. It is important to note that while the uncosted balances are well within the established thresholds for EM, the reduced levels have had an effect on RL's ability to address emerging issues.

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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)
TOTAL HANFORD EM
FY99 FUNDS MANAGEMENT & CONTROL



EQUALS

Expected BA Available

Estimated Use

\$'s Rounded - See Detail

	Prior Year Uncosted	BA on Hand	BA to Come	Total BA Available	Estimated Cost (B/O)	Estimated Uncosted	Estimated Commitments	Estimated Uncom/ Uncosted
Defense								
Program Direction/GSSC	4	70	1	75	73	2	2	0
Post 2006	73	681	0	753	693	60	28	32
Site/Project Completion	27	328	0	354	326	28	19	9
Science and Technology	5	24	0	29	28	1	0	1
Y2K Requirement	0	1	0	1	1	0	0	0
Defense - excl. Priv	108	1102	1	1212	1120	91	48	43
Defense - Privatization	150	68	0	218	0	218	0	218
Total Defense	258	1170	1	1430	1120	310	48	261
Non-Defense								
Post 2006	0	1	0	1	1	1	0	1
Site/Project Completion	6	2	5	13	12	1	0	1
Closure Projects	1	0	0	1	1	0	0	0
Total EM	266	1,173	6	1,445	1,134	311	48	262

ISSUES:

- Estimated year-end uncosted of \$311M is reduced to \$93M when excluding privatization of \$218M.

- Total Available based on EM Final FY99 Allocation of \$995M, \$68M for Privatization, \$5M for TWRS Reprogramming, \$5M for Advanced Reactor, and \$106M for Headquarters/National Programs plus \$266M carryover.

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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)
FY 1999 FUNDS MANAGEMENT BUDGET STATUS
TOTAL ALL FUND TYPES

PROGRAM	DIR	FY UNCOMMIT	EXPECTED NEW DIR	TOTAL AVAILABLE DIR	EXPECTED DIR	EXPECTED UNCOMMIT	UNOBLG * UNCOMMIT UNCOMMIT
PROGRAM DIRECTION							
DEFENSE EW10							
PROGRAM DIRECTION		2.4	60.6	63.0	62.8	0.2	0.1
GSSC		1.8	10.0	11.8	10	1.8	0
PROGRAM DIRECTION TOTAL		4.2	70.6	74.8	72.8	2	0.1
POST 2006							
DEFENSE EW02							
TWRS OPER/CE/GPP		2.7	289.2	291.9	289.9	2.0	0.0
LINE ITEMS							
PRIVATIZATION INFRA		0.0	8.7	8.7	2.6	6.1	0.0
TF VENT UPGRADE		0.1	0.0	0.1	0.1	0.0	0.0
INITIAL TANK RET		7.4	8.0	15.4	4.1	11.3	0.0
TF RES & SAFE OPS		8.1	4.8	12.9	11.5	1.4	0.0
TWRS - SUBTOTAL		18.3	310.7	329.0	308.2	20.8	18.8
ENVIRONMENTAL RESTORATION							
OPERATING		7.0	146.0	153.0	145.7	7.3	0.4
LINE ITEM							
GRD WATER MONITOR		1.5	0.0	1.5	1.5	0.0	0.0
ER - SUBTOTAL		8.5	146.0	154.5	147.2	7.3	0.4
WASTE MANAGEMENT							
OPER/CE/GPP		11.1	113.7	124.8	121.9	2.9	2.9
LINE ITEMS							
HEC		0.0	(0.6)	(0.6)	(0.6)	0.0	0.0
SWOC		0.3	(0.3)	0.0	0.0	0.0	0.0
T PLANT SEC CONT		0.3	0.2	0.5	0.5	0.0	0.0
RAD TRANS LINE		0.1	(0.1)	0.0	0.0	0.0	0.0
219-S SECON CONT		1.7	0.4	2.1	2.1	0.0	0.0
WM - SUBTOTAL		13.5	113.3	126.8	123.9	2.9	(0.0)
FACILITY STABILIZATION - WESF							
OPERATING		0.3	10.9	11.2	11.0	0.2	0.1
OTHER RL PROJECTS							
OPER/CE/GPP							
HAMMER		1.4	5.8	7.2	6.6	0.6	0.1
LANDLORD		3.2	12.6	15.8	13.0	2.8	0.5
TWRS REG UNIT		0.1	5.0	5.1	5.0	0.1	0.0
MISSION SUPPORT		0.9	26.1	27.0	26.1	0.9	0.0
RL DIRECTED		16.4	25.1	41.5	25.3	16.2	13.7
PNNL		0.9	15.4	16.3	15.0	1.3	0.0
LINE ITEMS							
HAMMER		0.4	0.0	0.4	0.4	0.0	0.0
LANDLORD		0.2	0.0	0.2	0.1	0.1	0.0
OTH - SUBTOTAL		23.5	90.0	113.5	91.5	22.0	14.3
NATIONAL PROGRAMS							
OPERATING		3.6	6.1	9.7	6.1	3.6	0.0
HEADQUARTERS PROGRAMS							
OPER/CE/GPP		5.1	3.5	8.6	5.2	3.4	1.8
DEFENSE SUBTOTAL		72.8	680.5	753.3	693.1	60.2	28.0
NON-DEFENSE EX02							
NATIONAL PROGRAMS							
OPERATING		0.0	0.3	0.3	0.2	0.1	0.0
HEADQUARTERS PROGRAMS							
OPERATING		0.4	0.4	0.8	0.4	0.4	0.0
NON-DEF SUBTOTAL		0.4	0.7	1.1	0.6	0.5	0.0
POST 2006 TOTAL		73.2	681.2	754.4	693.7	60.7	28.0

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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)
FY 1999 FUNDS MANAGEMENT BUDGET STATUS
TOTAL ALL FUND TYPES

PROGRAM	D&R	FY UNCOMMIT	EXPECTED NEW D/A	TOTAL AVAILABLE D/A	EXPECTED D/U	EXPECTED UNCOMMIT	UNCOMMIT UNCOMMIT
SITE COMPLETION							
DEFENSE EW04							
FACILITY STABILIZATION							
OPER/CE/GPP		4.4	148.3	152.7	149.5	3.2	0.6
LINE ITEMS							
B PLANT		0.1	0.0	0.1	0.1	0.0	0.0
PuSH		1.9	8.8	10.7	1.9	8.8	0.0
FS - SUBTOTAL		6.4	157.1	163.5	151.5	12.0	2.6
SPENT NUCLEAR FUELS							
OPER/CE/GPP		16.2	131.7	147.9	137.3	10.6	4.1
LINE ITEM							
SNF PROJECT		2.9	38.7	41.6	36.5	5.1	0.0
SNF - SUBTOTAL		19.1	170.4	189.5	173.8	15.7	6.5
HEADQUARTERS PROGRAMS							
OPERATING		1.2	0.0	1.2	0.8	0.4	0.3
DEFENSE SUBTOTAL		26.7	327.5	354.2	326.1	28.1	9.4
NON-DEFENSE EW04							
ADVANCED REACTOR							
OPERATING		5.9	6.7	12.6	12.0	0.6	0.6
SITE/PROJECT COMPLETION							
LINE ITEM		0.1	(0.1)	0.0	0.0	0.0	0.0
HEADQUARTER PROGRAMS							
OPERATING		0.1	0.0	0.1	0.0	0.1	0.1
NON-DEF SUBTOTAL		6.1	6.6	12.7	12.0	0.7	0.7
SITE COMPLETION TOTAL		32.8	334.1	366.9	338.1	28.8	10.1
SCIENCE AND TECHNOLOGY							
DEFENSE EW40							
TECHNOLOGY DEVELOPMENT							
OPER/CE/GPP		4.8	24.2	29.0	27.7	1.3	1.3
SCIENCE AND TECH TOTAL		4.8	24.2	29.0	27.7	1.3	1.3
PRIVATIZATION							
DEFENSE EW 03							
PRIVATIZATION							
OPERATING		150.0	68.0	218.0	0.0	218.0	0.0
PRIVATIZATION TOTAL		150.0	68.0	218.0	0.0	218.0	0.0
ER/WM							
DEFENSE EW06							
Y2K REQUIREMENTS							
OPERATING		0.0	0.6	0.6	0.6	0.0	0.0
ER/WM TOTAL		0.0	0.6	0.6	0.6	0.0	0.0
CLOSURE							
NON-DEFENSE EX05							
HEADQUARTER PROGRAMS							
WEST VALLEY		0.6	0.3	0.9	0.8	0.1	0.1
CLOSURE TOTAL		0.6	0.3	0.9	0.8	0.1	0.1
EM TOTAL		265.6	1179.0	1444.6	1133.7	310.9	262.3

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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

FY 1999 FUNDS MANAGEMENT BUDGET STATUS
SUMMARY ALL FUND TYPES

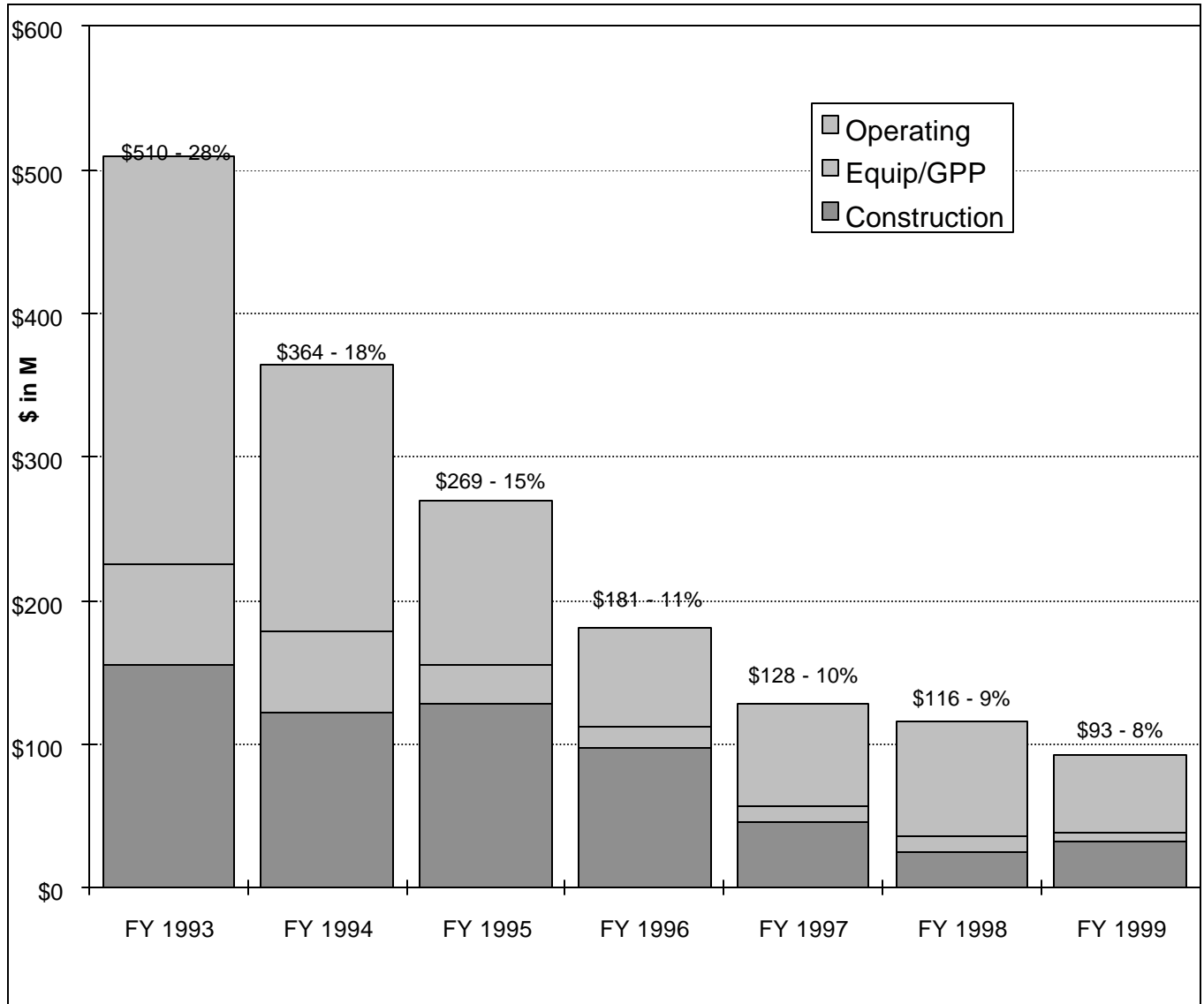
PROGRAM	EXPECTED FY UNCOSTED	NEW B/A	TOTAL AVAILABLE B/A	EXPECTED B/O	EXPECTED UNCOSTED	COMMIT	UNBLG UNCOMMIT
EM DEFENSE							
PROGRAM DIRECTION	4.2	70.6	74.8	72.8	2.0	1.9	0.1
POST 2006	72.8	680.5	753.3	693.1	60.2	28.0	32.2
SITE/PROJECT COMPLETION	26.7	327.5	354.2	326.1	28.1	18.7	9.4
SCIENCE AND TECHNOLOGY	4.8	24.2	29.0	27.7	1.3	0.0	1.3
PRIVATIZATION	150.0	68.0	218.0	0.0	218.0	0.0	218.0
Y2K REQUIREMENT	0.0	0.6	0.6	0.6	0.0	0.0	0.0
TOTAL DEFENSE	258.5	1171.4	1429.9	1120.3	309.6	48.6	261.0
EM NON-DEFENSE							
POST 2006	0.4	0.7	1.1	0.6	0.5	0.0	0.5
SITE/PROJECT COMPLETION	6.1	6.6	12.7	12.0	0.7	0.0	0.7
CLOSURE PROJECTS	0.6	0.3	0.9	0.8	0.1	0.0	0.1
TOTAL NON-DEFENSE	7.1	7.6	14.7	13.4	1.3	0.0	1.3
TOTAL DEFENSE/NON-DEFENSE	265.6	1179.0	1444.6	1133.7	310.9	48.6	262.3

SUMMARY ALL FUND TYPES (Less Privatization)

EM DEFENSE							
PROGRAM DIRECTION							
OPERATING	4.2	70.6	74.8	72.8	2.0	1.9	0.1
POST 2006 SUB-TOT	72.8	680.5	753.3	693.1	60.2	28.0	32.2
OPERATING/CE/GPP	52.7	658.8	711.5	670.2	41.3	28.0	13.3
LINE ITEMS	20.1	21.7	41.8	22.9	18.9	0.0	18.9
SITE/PROJECT COMPLETION SUB-TOT	26.7	327.5	354.2	326.1	28.1	18.7	9.4
OPERATING/CE/GPP	21.8	280.0	301.8	287.6	14.2	4.8	9.4
LINE ITEMS	4.9	47.5	52.4	38.5	13.9	13.9	0.0
SCIENCE AND TECHNOLOGY							
OPERATING	4.8	24.2	29.0	27.7	1.3	0.0	1.3
Y2K REQUIREMENT							
OPERATING	0.0	0.6	0.6	0.6	0.0	0.0	0.0
TOTAL DEFENSE	108.5	1103.4	1211.9	1120.3	91.6	48.6	43.0
EM NON-DEFENSE							
POST 2006							
OPERATING	0.4	0.7	1.1	0.6	0.5	0.0	0.5
SITE/PROJECT COMPLETION SUB-TOT	6.1	6.6	12.7	12.0	0.7	0.0	0.7
OPERATING	6.0	6.7	12.7	12.0	0.7	0.0	0.7
LINE ITEM	0.1	(0.1)	0.0	0.0	0.0	0.0	0.0
CLOSURE PROJECTS							
OPERATING	0.6	0.3	0.9	0.8	0.1	0.0	0.1
TOTAL NON-DEFENSE	7.1	7.6	14.7	13.4	1.3	0.0	1.3
TOTAL - OPERATING/CE/GPP	90.5	1041.9	1132.4	1072.3	60.1	34.7	25.4
TOTAL - LINE ITEMS	25.1	69.1	94.2	61.4	32.8	13.9	18.9
TOTAL DEFENSE/NON-DEFENSE	115.6	1111.0	1226.6	1133.7	92.9	48.6	44.3

MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

TOTAL HANFORD EM PROGRAMS
Historical Summary of Uncosted



Note: FY 95-99 Percents reflect total uncosted as a percentage of total available funds excluding the uncosted for privatization.

MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

RL EM PROGRAM DIRECTION CHART SUMMARY

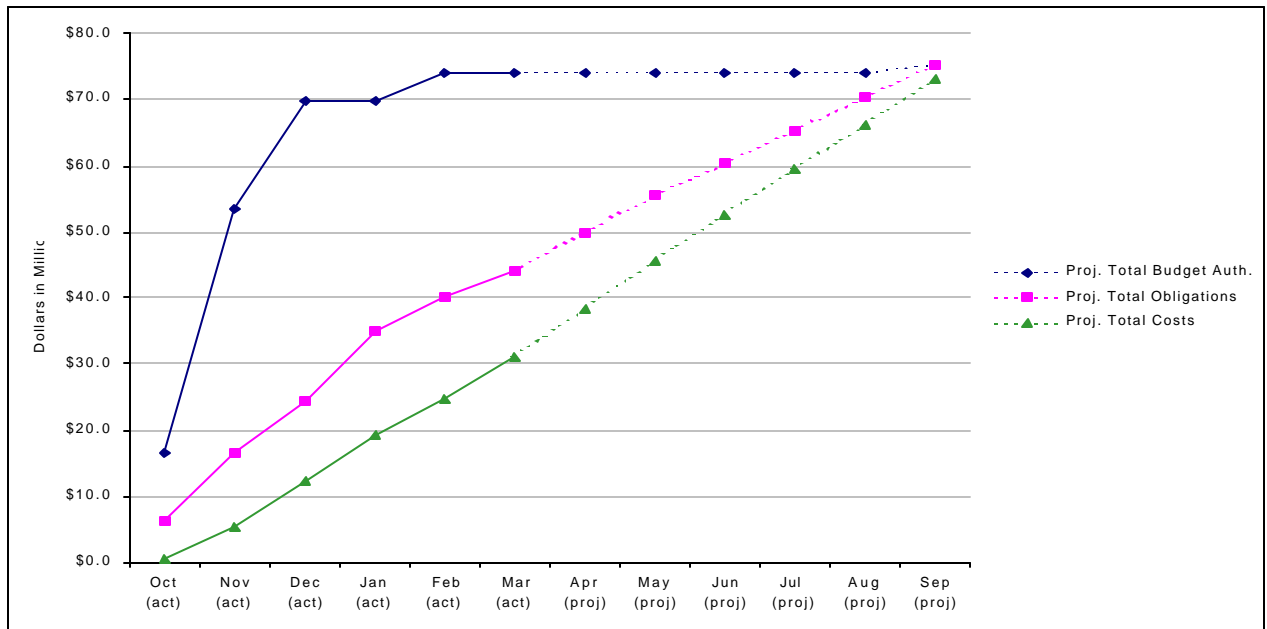
RL EM Program Direction — Program Direction funds salaries, travel, contractual services (e.g. office supplies, rent, training), and Government Support Services Contractor (GSSC) support for the DOE-RL federal workforce. The federal workforce is tasked with providing oversight and direction for the Hanford Site contractors, establishing and communicating requirements and standards, and interfacing with DOE HQ, regulators, and stakeholders to achieve progress at Hanford. There are no significant changes, from the February report, to the information provided in the chart on the following page. It is still projected that the Program Direction budget will end the fiscal year with a small unobligated balance, that the hirings for the Office of River Protection will be completed by May 1st.

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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

FY 1999 RL PROGRAM DIRECTION BUDGET

\$ in Millions



RL Program Direction - Projected Budget Status		EM	NE	Total FY 1999
a	Prior Year Uncosted	4.18	0.00	4.18
b	Projected New Budget Authority	70.61	0.47	71.07
=a+b	Projected Total Budget Authority	74.79	0.47	75.25
	Salaries & Benefits	44.60	0.43	45.02
	Contractual Services	15.73	0.00	15.73
	Travel	1.34	0.02	1.35
	PCS	1.37	0.00	1.37
	GSSC	11.75	0.00	11.75
c	Projected Total Obligations	74.79	0.44	75.23
=a+b-c	Projected Surplus/(Shortfall)	0.00	0.02	0.02
	Salaries & Benefits	44.58	0.43	45.01
	Contractual Services	15.46	0.00	15.46
	Travel	1.34	0.02	1.36
	PCS	1.37	0.00	1.37
	GSSC	9.99	0.00	9.99
d	Projected Total Costs	72.74	0.44	73.18
=c-d	Projected Uncosted	2.05	0.00	2.05

RL Employment (as estimated by BUD/includes feds only)		EM	NE	Total FY 1999
Beginning-of-Year Headcount		509.0	5.0	514.0
Current Headcount (as of 04/01/99)		517.0	5.0	522.0
Estimated hiring (between 04/01/99 and 09/30/99)		40.0	0.0	40.0
Estimated attrition (between 04/01/99 and 09/30/99)		(11.0)	0.0	(11.0)
Estimated End-of-Year Headcount		546.0	5.0	551.0
Estimated FTE Usage		522.0	5.0	527.0

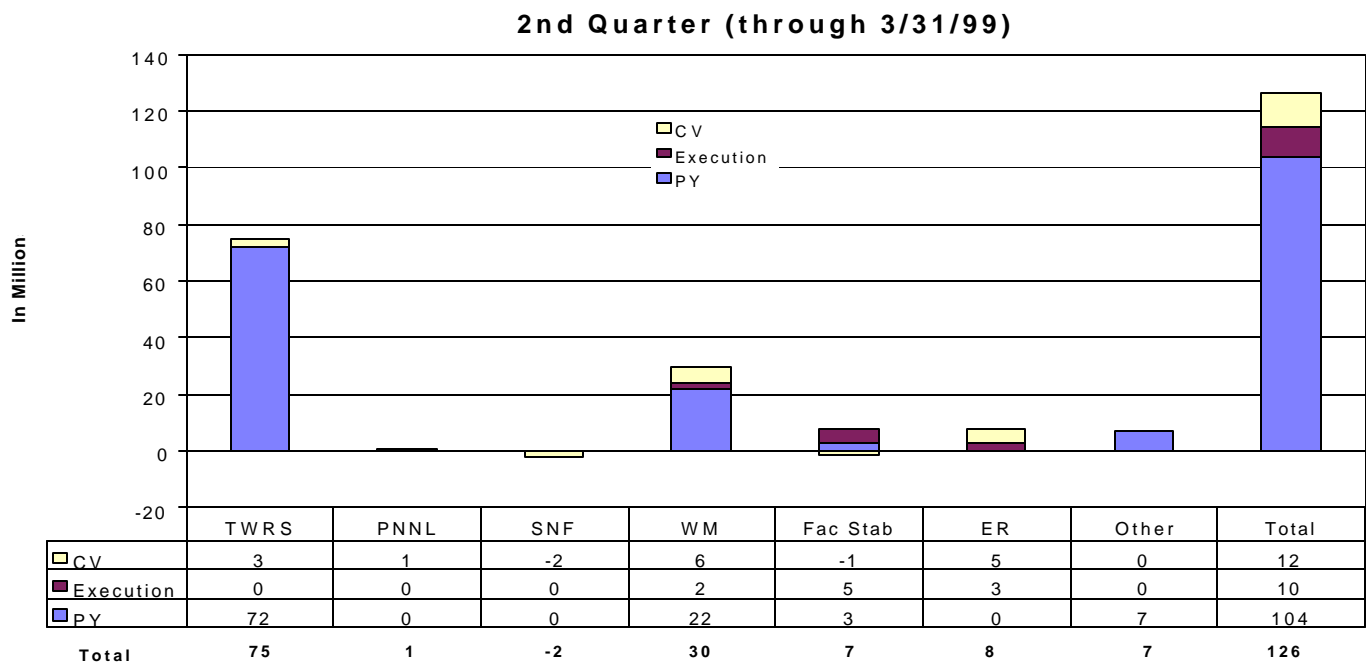
MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

FY 1999 COST SAVINGS

The Hanford Cost Savings Program is an integral part of the effective management of the Hanford site. Achieving cost savings by eliminating work found to be unnecessary or completing work more efficiently results in making more funds available to achieve cleanup progress. The Cost Savings Program staff tracks, validates, and reports actions that result in cost savings. Cost savings can result from a work scope deletion on an approved cost baseline change request or a cost variance documented in the performance measurement system. RL receives numerous inquiries from various external entities regarding the cost savings program. Reporting our cost savings achievements plays a role in demonstrating the successes and positive accomplishments at the Hanford site.

The following table shows the FY 1999 cost savings achieved to date at Hanford as verified by the RL Contract Finance and Review (CFR) Division. Total FY 1999 savings of \$126 million include the savings resulting from prior year (PY) actions (\$104 million); execution year work scope deletions (\$10 million); and the FY 1999 cost variance (CV)/efficiencies (\$12 million).

The total savings increased by \$6 million since the first quarter. Savings from prior year initiatives increased by \$2 million due to the validation of additional data. Most of the “bridge” change requests which identified changes from last year’s baseline to the new baseline were approved during the second quarter and these savings are reflected in the \$10 million of current year execution workscope deletions. However, the cost variance savings dropped from \$18 million to \$12 million. This reduction is due in part to the improved accrual process that was implemented in January. The new accrual process has resulted in more accurate monthly accruals and additional costs being booked during the first six months of the fiscal year.



MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

MILESTONE PERFORMANCE

Milestones represent significant events in project execution. They are established to provide a higher level of visibility to critical deliverables and to provide specific status about the accomplishment of these key events. Because of the relative importance of milestones, the ability to track and assess milestone performance provides an effective tool for managing the Hanford Site.

FYTD milestone performance (Enforceable Agreement [EA], U.S. Department of Energy-Headquarters [DOE-HQ], Field Office, and RL) shows that 94 of 156 approved baseline milestones (60 percent) were completed on or ahead of schedule; fifteen milestones (10 percent) were completed late; and 47 milestones (30 percent) are overdue. The 47 overdue milestones are associated with ten projects: TWRS—five, Mission Support—three, Facility Stabilization—eleven, Spent Nuclear Fuels—two, Advanced Reactors Transition—six, Science and Technology—one, Environmental Management (EM)-50—two, TWRS Regulatory Unit—three, Landlord—four, and Indirect—ten. These overdue milestones do not share a common cause. Three of the overdue milestones are EA; two are in ART, the third in TWRS. Both of the ART milestones have been proposed to be placed in abeyance until a decision is made regarding future mission(s) for FFTF. The TWRS milestone (start interim stabilization of three SSTs) has been proposed for deletion and will be replaced with a new milestone once the TPA change request is approved.

This FY 99 information is depicted graphically on the following two pages. Following the graphs is a listing of uncompleted prior year milestones. For additional details related to the data in the graphs and prior year milestones, refer to the relevant project section titled “milestone exception report.” Lastly, a report on EM-50 milestones is presented. Included are FYTD milestone achievement status and exceptions for both the current and prior years. Because EM-50 milestones are not specifically related to individual projects, this detailed information is portrayed here.

NOTE: As stated in the Executive Summary, Milestones tracked and reported in this report consist of three Department of Energy levels. In descending order these levels are: 1) Department of Energy-Headquarters (HQ), 2) Field Office (FO), and 3) Richland Operations (RL). Because it is also useful to distinguish milestones based on specific drivers, the Site applies a designation to those milestones created or tracked to meet the requirements of Enforceable Agreements (EAs) or commitments to the Defense Nuclear Facilities Safety Board (DNFSB). When a milestone satisfies both an EA requirement and a DNFSB commitment, it is categorized as both. However, in order to avoid duplicate reporting, this report accounts for each milestone only once. When an overlap exists between EA and any level (i.e. HQ, FO, or RL), the milestone is reported as EA.

FY 99 information reflects the current approved baseline. Changes in both the number and type of milestones from month to month are the result of Baseline Change Requests (BCRs) approved during the year.

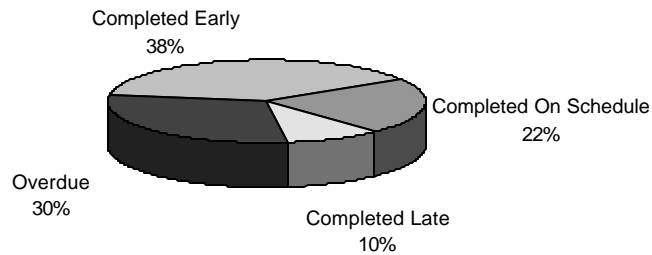
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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)
TOTAL ALL HANFORD PROJECTS

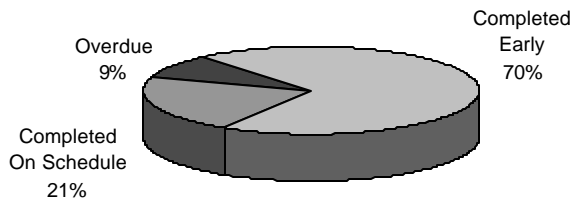
MILESTONE ACHIEVEMENT

MILESTONE TYPE	FISCAL YEAR-TO-DATE				REMAINING SCHEDULED			TOTAL FY 1999
	Completed Early	Completed On Schedule	Completed Late	Overdue	Forecast Early	Forecast On Schedule	Forecast Late	
Enforceable Agreement	23	7	0	3	2	40	2	77
DOE-HQ	5	3	1	5	0	19	6	39
FO	5	8	7	11	0	48	6	85
RL	27	16	7	28	2	172	7	259
Total Project	60	34	15	47	4	279	21	460

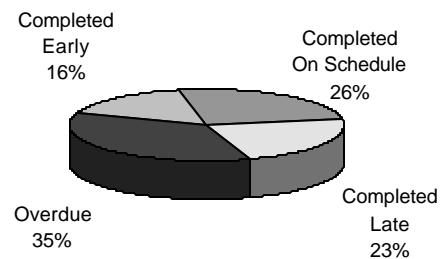
Total Project



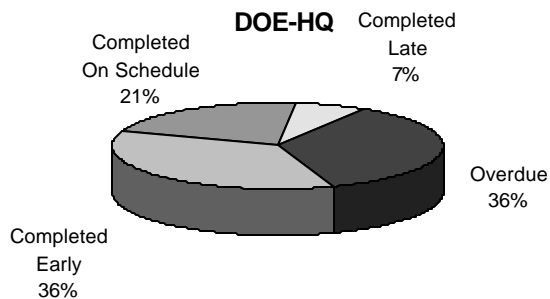
Enforceable Agreement



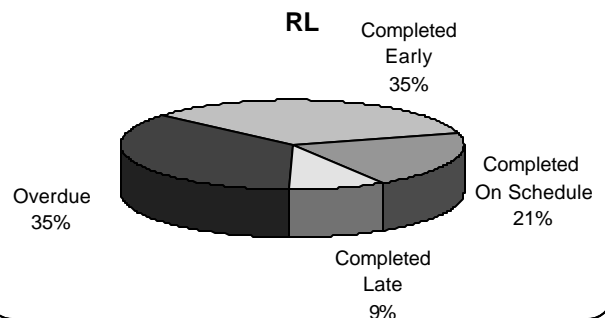
FO



DOE-HQ



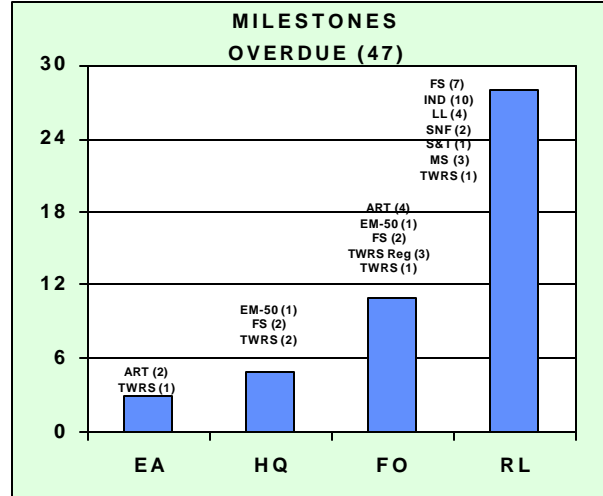
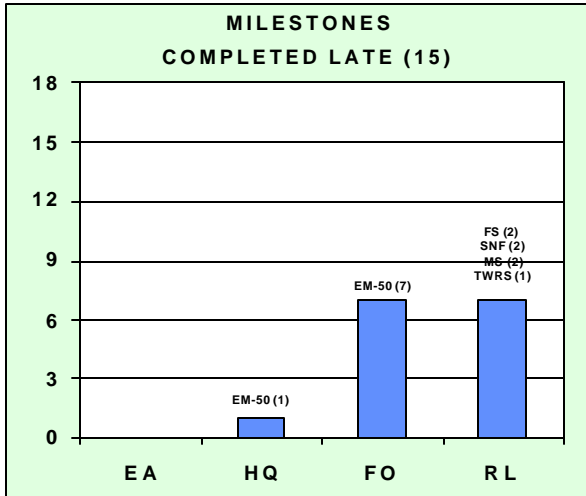
RL



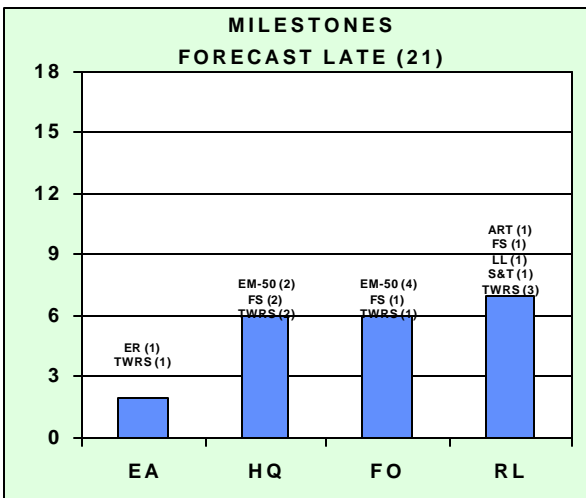
MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

M ILESTONE EXCEPTIONS

FISCAL YEAR TO DATE



REMAINING SCHEDULED



These charts provide detail by project and milestone level / type for milestones

- Completed Late
- Overdue
- Forecast Late
- Detailed information can be found in the individual project sections

MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

<u>Number</u>	<u>Level</u>	<u>Milestone Title</u>	<u>Baseline Date</u>	<u>Forecast Date</u>
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FY 1997 MILESTONES NOT COMPLETED

TWRS - 1 milestones

T03-97-150	EA	Start Interim Stabilization of Six Single Shell Tanks (M-41-22)	09/30/97	Proposed Deletion
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Facility Stabilization - 3 milestones

TRP-97-403	HQ	Begin Process Solution at PFP	06/30/97	11/04/00
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TRP-97-409	RL	Complete Cementation/Discard or Disposition of 40.4% Pu Residue	09/30/97	04/30/01
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TRP-97-413	RL	Begin Processing Solutions at PFP	06/30/97	11/06/00
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FY 1998 MILESTONES NOT COMPLETED

TWRS – 5 milestones

T03-98-151	EA	Start Interim Stabilization of Eight Single Shell Tanks (M-41-23)	03/31/98	Proposed Deletion
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T02-99-100	FO	Transmit Letter Compl of Rpt to Resolve High Heat Safety Issue	05/31/98	12/31/99
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T06-98-112	EA	Select Two COCO Contractors and Authorize to Proceed with Part B (M-60-10)	07/31/98	03/31/99
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T03-98-152	EA	Start Interim Stabilization of Nine Single-Shell Tanks (M-41-24)	09/30/98	Proposed Deletion
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T03-98-154	RL	Complete Saltwell Pumping of 5 SSTS (Single Shell Tanks)	09/30/98	Proposed Deletion
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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

<u>Number</u>	<u>Level</u>	<u>Milestone Title</u>	<u>Baseline Date</u>	<u>Forecast Date</u>
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FY 1998 MILESTONES NOT COMPLETED (CONTINUED)

Facility Stabilization – 2 milestones

TRP-98-404	RL	Complete Stabilization of Pu Bearing Solutions	06/24/98	09/30/03
TRP-98-406	RL	Complete Cementation/Discard or dispose 3,200 kg Bulk Residues	09/30/98	12/31/03

Advanced Reactors Transition – 3 milestones

B19-98-401	FO	Complete Reactor and Heat Transport System Sodium Drain (M-81-04-T01)	04/30/98	Proposed Abeyance
B17-98-107	FO	Submit Sodium Disposition Evaluation Report/Decision Point (M-81-02-T01)	06/30/98	Proposed Abeyance

Details on the above overdue milestones can be found beginning on page 6-1 in each project's milestone exception report.

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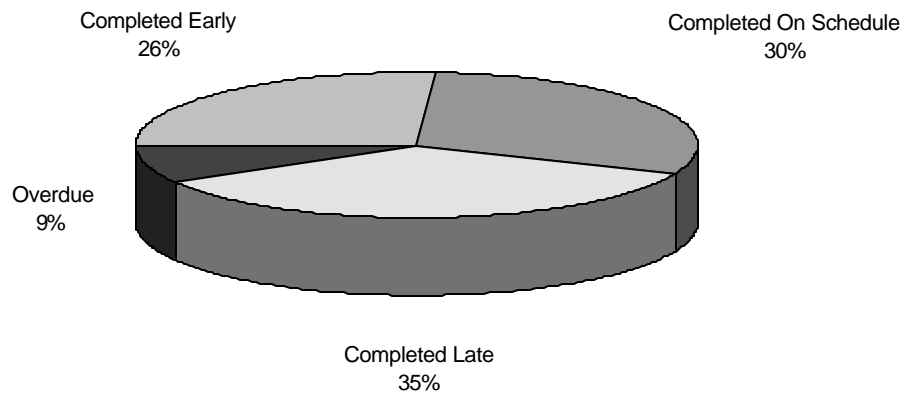
MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

EM -50

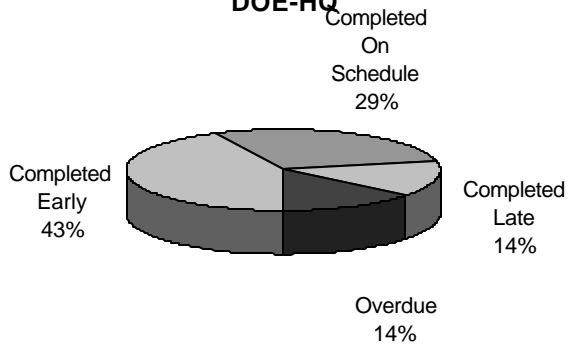
M I L E S T O N E A C H I E V E M E N T

MILESTONE TYPE	FISCAL YEAR-TO-DATE				REMAINING SCHEDULED			TOTAL FY 1999
	Completed Early	Completed On Schedule	Completed Late	Overdue	Forecast Early	Forecast On Schedule	Forecast Late	
Enforceable Agreement	0	0	0	0	0	0	0	0
DOE-HQ	3	2	1	1	0	17	2	26
FO	3	5	7	1	0	26	4	46
RL	0	0	0	0	0	0	0	0
Total Project	6	7	8	2	0	43	6	72

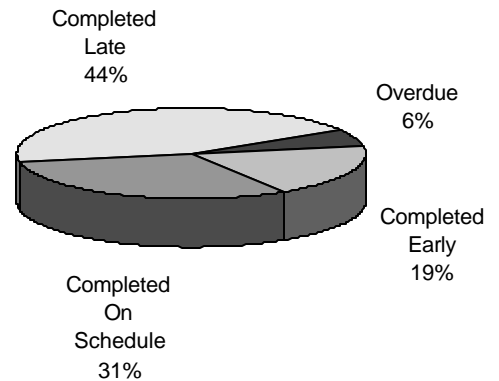
Total Project



DOE-HQ



FO



MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)
EM-50 EXCEPTIONS (CONTINUED)

<u>Number</u>	<u>Level</u>	<u>Milestone Title</u>	<u>Baseline Date</u>	<u>Forecast Date</u>
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OVERDUE – 1 (FY 1998)

07WT61/OK4 HQ	Issue Revision to AX-104 Waste Volume Estimate	09/30/98	Cancelled
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3.5.4 (AMT)

Cause: The waste volume estimate cannot be performed until the LDUA deployment is completed. However, LDUA activities have been discontinued due to ceased funding of HTI.

Impact: None

Corrective Action: This milestone has been cancelled.

FORECAST DELAY – 6 (FY 1999)

08WT22/C-1 HQ	Complete Design & Issue Detailed Design Review Report of Sampler	6/17/99	08/01/99
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3.5.4 (AMT)

Cause: The vendor has revised its statement of work and schedule for the detailed design review.

Impact: None

Corrective Action: A change request and revised TTP will be submitted in April.

08WT22/C-2 HQ	Certify the Nested, Fixed-Depth Sampler is Ready for Receipt	9/30/99	01/08/01
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3.5.4 (AMT)

Cause: The vendor has revised its statement of work and schedule for the detailed design review, delaying its completion. This milestone will be delayed due to increased costs associated with the vendor work, funding limitations and resulting schedule delays.

Impact: Delay in fabrication of prototype sampling system, although the user need timeframe has been extended.

Corrective Action: A change request and revised TTP will be submitted in April.

08WT22/F-1 FO	Issue Hazards Preliminary Assessment of Sample Retrieval System	05/30/99	09/15/99
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3.5.4 (AMT)

Cause: The vendor has revised its statement of work and schedule for the detailed design review of the sampler, causing this task to be re-baselined.

Impact: None

Corrective Action: A change request and revised TTP will be submitted in April.

08WT22/H-1 FO	Issue Revised Deployment Strategy and Plan	6/23/99	07/15/99
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3.5.4 (AMT)

Cause: The vendor has revised its statement of work and schedule for the detailed design review. This milestone relies on incorporation of other program information from the vendor and other related tasks.

MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

EM-50 EXCEPTIONS (CONTINUED)

<u>Number</u>	<u>Level</u>	<u>Milestone Title</u>	<u>Baseline Date</u>	<u>Forecast Date</u>
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FORECAST DELAY – 6 (FY 1999) (CONTINUED)

Impact: None

Corrective Action: A change request and revised TTP will be submitted in April.

37WT31/2B3 FO	B1-3 Status Report on Test Results	6/30/99	9/30/99
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3.5.4 (AMT)

Cause: Funding for this TTP was reduced from \$475K to \$250K, resulting in a dramatic cut in support for this task.

Impact: The report will be delayed until September 1999.

Corrective Action: All tasks have been replanned, and schedules have been extended significantly due to the cut in funding. A revised TTP will be submitted.

37WT31/1C2 FO	A2-2 Report Summarizing Strategy for	9/30/99	1/31/00
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3.5.4 (AMT) Crystallinity Testing

Cause: Funding for this TTP was reduced by \$100K.

Impact: The report will be delayed until FY 2000.

Corrective Action: This task was rescheduled to take into account the funding reduction. According to the new schedule, the plan for this task will be issued in January 2000.

OVERDUE – 2 (FY 1999)

07WT61/F-2 HQ	Complete Initial Hot Probe	3/31/99	Cancelled
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2.1.1 (AMT) Demonstration Push at AX-104

Cause: This milestone is part of HTI which has been discontinued due to the ceased funding.

Impact: None

Corrective Action: None. A Baseline Change Request is being submitted.

36WT11/A1 FO	Complete TFA FY 1999 Complex-Wide	3/31/99	4/30/99
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3.5.4 (AMT) Technology Needs Assessment

Cause: The needs assessment document was to be finalized the week of March 22-26.

Unfortunately, the laptop computer which was being used to prepare the needs assessment document was stolen on Tuesday, March 23, 1999. The files that were lost contained the work on the needs assessment to date. The window for completing the needs assessment is gone until next month.

Impact: None

Corrective Action: The assessment will be completed next month.

MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

HANFORD SITE STAFFING

Critical to site success is the ability to attract and retain a highly qualified and fully trained staff in sufficient numbers and with the appropriate skills mix to execute planned work. As a consequence, efforts continue to transition the profile of the workforce to better support the needs of Hanford missions while developing resources to further enhance their value to Hanford and the community. The contractors are engaged in creating an environment that fully utilizes all the talents and capabilities of the diverse workforce

The following charts summarize the current site staffing, illustrate the FYTD Site Full Time Equivalents (FTEs) to FTE Fiscal Year-End Budget, and the current Site headcount.

The FTEs include the four major Site entities (BHI, DOE-RL, PHMC, and PNNL). Their subcontractors, and enterprise companies, are excluded. Hanford Environmental Health Foundation (HEHF), British Nuclear Fuels and Johnson Controls are excluded as their contracts do not contain the DOE Order 350.1 contract clause requiring reporting of Site data.

Bechtel is underrunning 91 FTEs due to a wide variety of reasons addressed in the narrative below their chart.

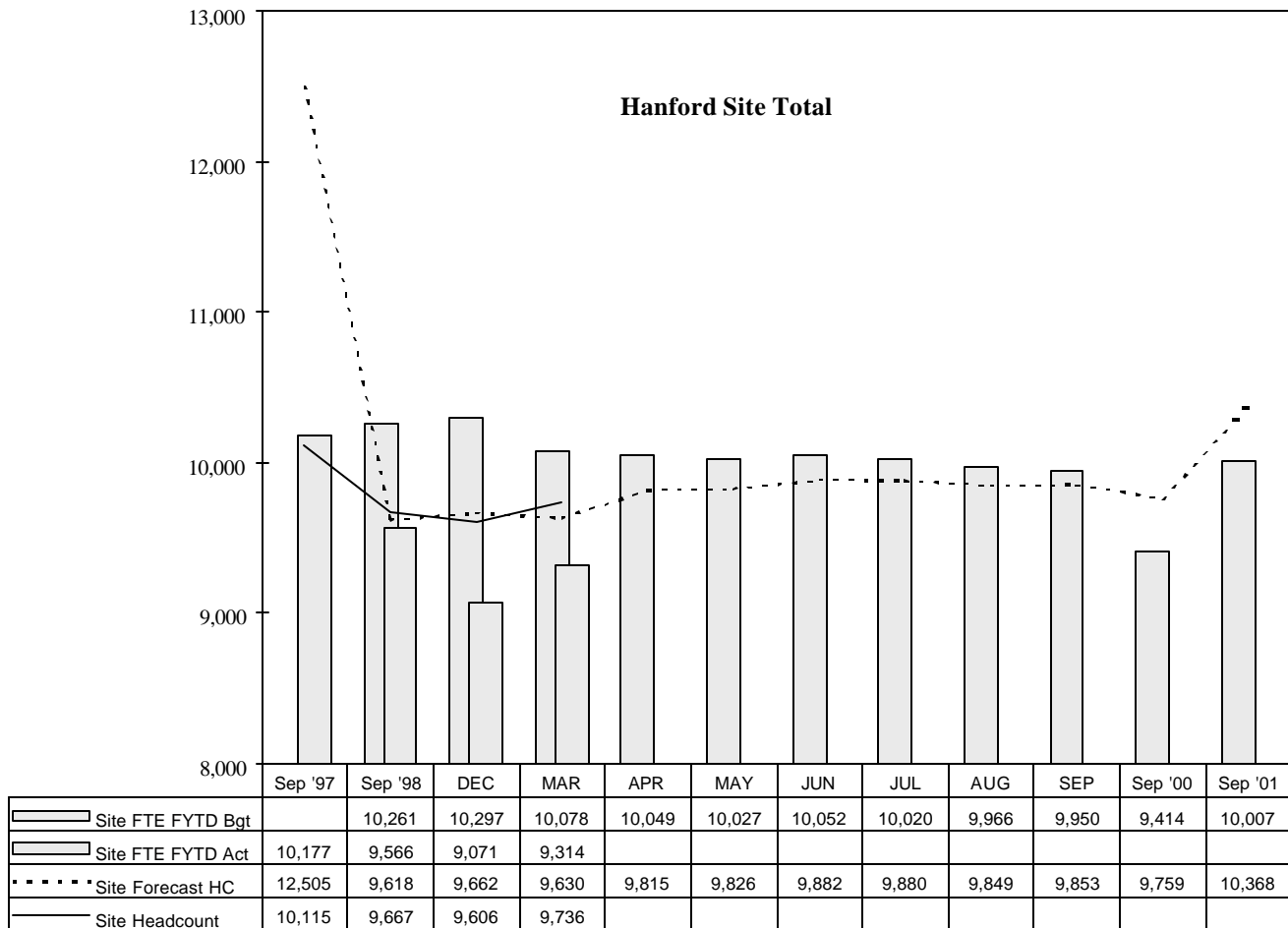
DOE-RL is underrunning 4 FTEs.

PHMC is underrunning 604 due to two major reasons. The first major contributor is TWRS (303 current month FTEs under) mainly due to the use of subcontract personnel in place of planned PHMC staff. Another 200-300 FTEs are attributable to home office personnel included as FTEs in the budget, but excluded from actual FTEs due to a change in PHMC business management systems. The home office personnel FTEs will be included beginning in May.

PNNL is temporarily underrunning 65.

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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)
HANFORD SITE STAFFING

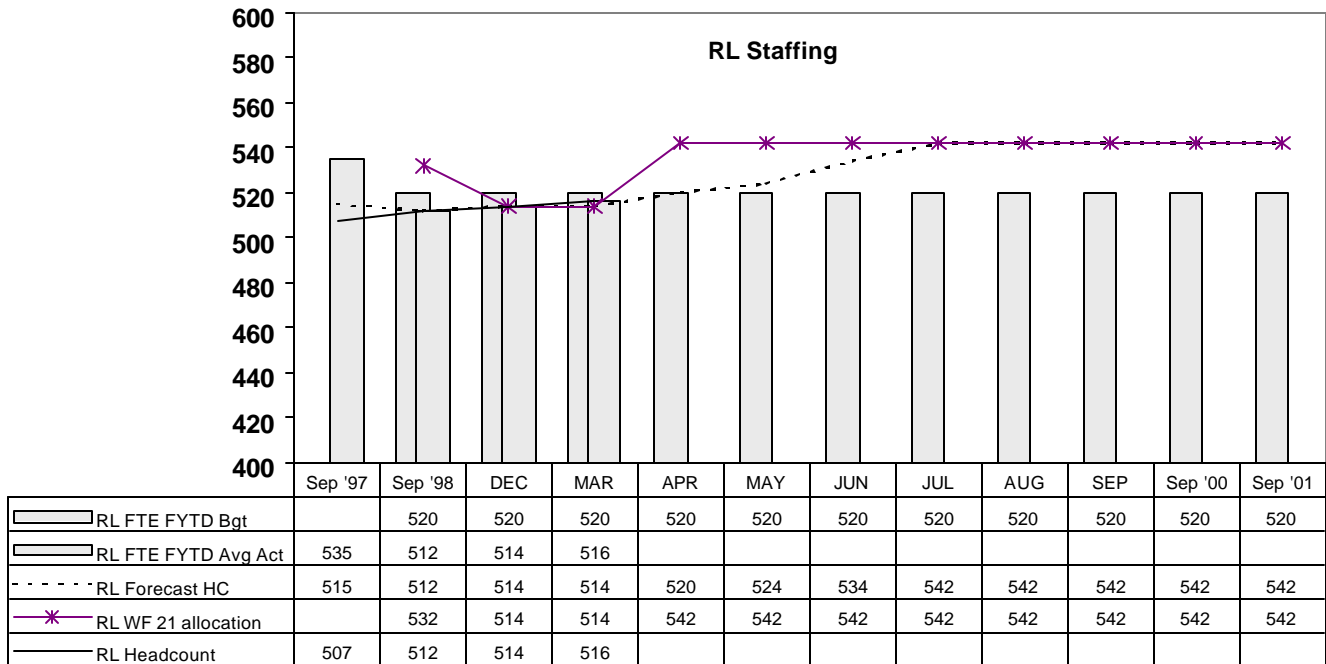


FYTD FTE's are underrunning 8%/764 FTE's (PHMC 604, BHI 91, PNNL 65, and RL 4) as detailed in the following graphs and narratives.

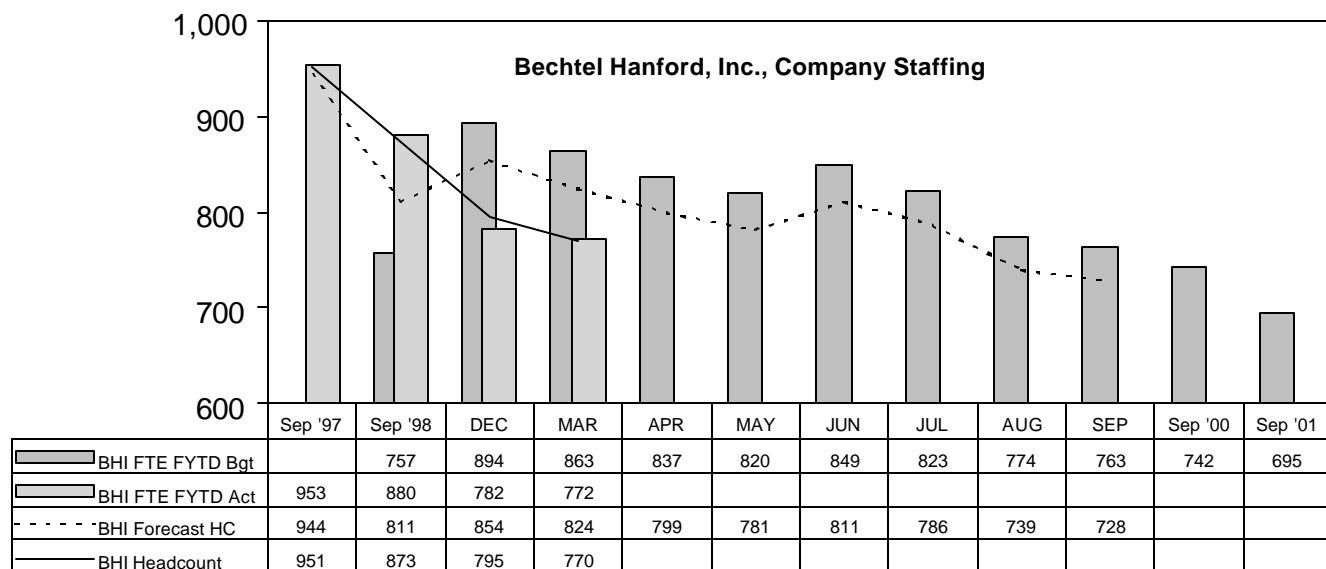
	Current Headcount	FYTD FTE		FTE Fiscal Year
		Budget	Actual	End Budget
Department of Energy, Richland	516	520	516	520
Bechtel Hanford, Incorporated	770	863	772	763
Pacific Northwest National Laboratory	3,029	2,862	2,797	2,872
Babcock and Wilcox Hanford Company	692	768	688	755
Duke Engineering & Services Hanford, Inc.	259	371	265	368
Waste Management Federal Services, Inc.	570	637	572	632
Fluor Daniel Hanford Non-Bargaining	626	741	615	743
Fluor Daniel Hanford Bargaining	2,046	1,898	1,980	1,899
Dyncorp Tri-Cities Services, Inc.	268	332	275	323
Lockheed Martin Hanford Company	671	897	659	894
Protection Technology Hanford	144	0	26	0
Numatec Hanford Company	145	190	149	180
Total PHMC	5,421	5,833	5,229	5,795
Total Hanford	9,736	10,078	9,314	9,950

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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)
Hanford Site Staffing
RL and Bechtel Hanford



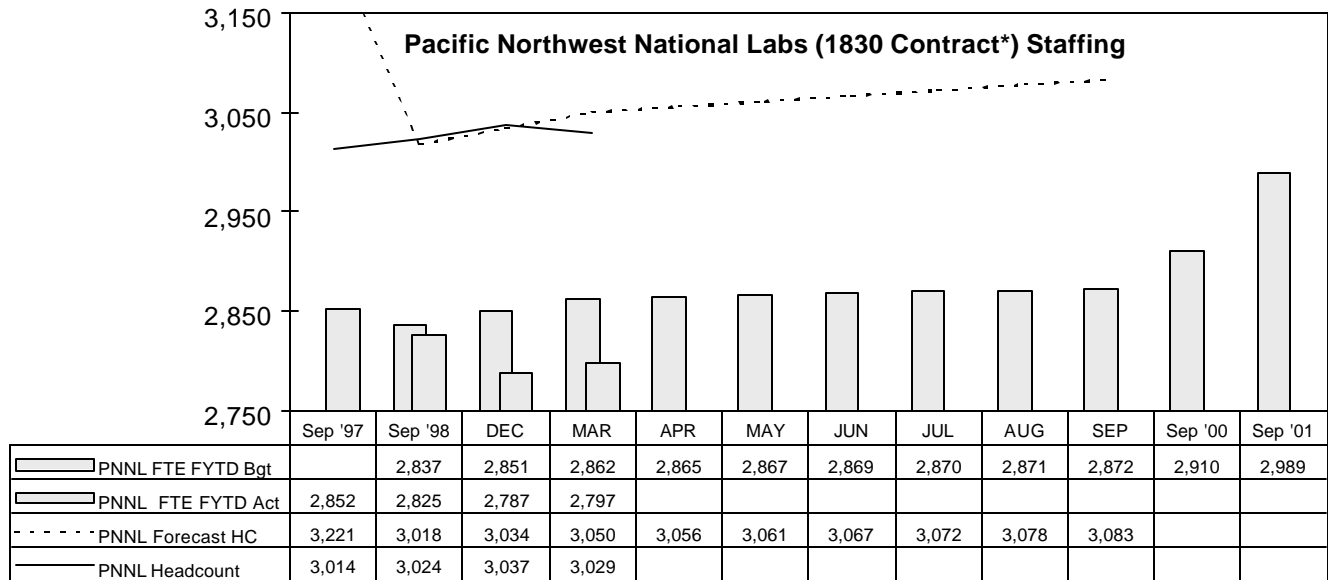
The Secretary is expected to approve Workforce 21 Plans in April 1999, replacing the Strategic Alignment Initiative targets for staffing. The Department-wide hiring moratorium imposed by Secretary O'Leary has lifted. Criticality to mission requirements remains key to identifying and filling vacant positions, e.g., facility representatives, Division Directors, Assistant Manager positions. No adjustment due to part-time or non-ceiling status has been made to on-board headcount.



Staffing includes carryover and EM40/EM50/Other DOE work. The staffing under run is due to: F Reactor ISS project FY99 work scope was completed three weeks ahead of schedule; delays in Group 5 and N Area remedial action design; shortage of RCT resources; 200 Area assessment preparation required less effort than planned; delays in groundwater model development and well monitoring; GW barrier wall closeout on hold pending EPA decision to continue testing; delayed hiring of non-manual personnel including displacement by temporary contract personnel; and level of effort time phasing not matching the manner in which work is being accomplished.

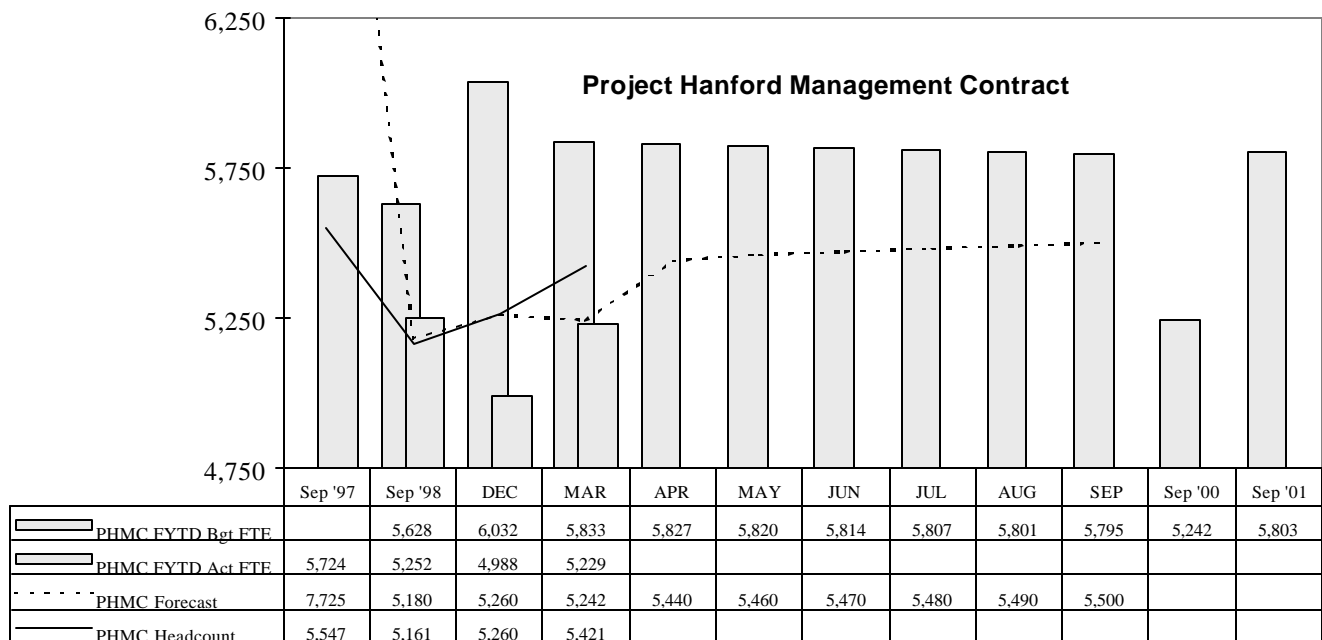
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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)
HANFORD SITE STAFFING
PNNL and PHMC



The second quarter of the fiscal year has not resulted in the staffing levels necessary to achieve our FTE projections. The Laboratory continues to emphasize growth and the need to hire senior staff who will bring business to the Lab in the future.

*1830 is the Government contract Pacific Northwest has with DOE. Their private sector (1831) contract staff is excluded.



The FYTD FTEs are underrunning by 10%/604 (TWRS 324, Spent Nuclear Fuel 94, Facilities 92, Waste Mgmt 59, and Indirects 33) reflecting increased utilization of contract labor versus direct hires. Specific details are found in individual Project Sections.

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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

HEADCOUNT

	September 1997			September 1998			March 1999		
	Exempt	Non-Ex.	Barg.	Exempt	Non-Ex.	Barg.	Exempt	Non-Ex.	Barg.
Department of Energy, RL	507			512			516		
Bechtel Hanford, Incorporated	951			873			770		
Hanford Environmental Health Foundation	96			97			N/A now RL contractor		
Pacific Northwest National Lab (1830)	3,014			3,024			3,029		
Other Hanford Contractors*	4,568			4,506			4,315		
Babcock and Wilcox Hanford Company	624	118	0	597	99	0	606	86	0
Duke Engineering & Services Hanford	261	36	0	230	34	0	233	26	0
Waste Management Federal Services	517	65	0	502	64	0	506	64	0
Fluor Daniel Hanford	441	151	2,129	439	136	2,018	487	139	2,046
Dyncorp Tri-Cities Services, Inc.	304	60	0	220	42	0	230	38	0
Lockheed Martin Hanford Company	611	64	0	571	57	0	607	64	0
Protection Technology Hanford	0	0	0	0	0	0	124	20	0
Numatec Hanford Company	140	26	0	126	26	0	122	23	0
Total PHMC by subcontractor	2,898	520	2,129	2,685	458	2,018	2,915	460	2,046
Total PHMC	<u>5,547</u>			<u>5,161</u>			<u>5,421</u>		
Total Site	10,115			9,667			9,736		

The above data depicts the changes in headcount related to hiring, transfers, terminations, etc. on the Hanford site. The PHMC experienced a net decrease of 488 in FY 1997, a 386 reduction in FY 1998, and an increase of 260 in FY 1999. In the second quarter of FY 1998, a contract was established with Protection Technology Hanford which resulted in the inclusion of 144 employees who had previously been categorized as third-tier subcontract personnel, and thus excluded from PHMC headcount calculations.

* A break out by labor category (i.e., Exempt, Non-Exempt, and Bargaining Unit) is not available for "Other Hanford Contractors." For ease of reporting, all headcount for these organizations is reported under the heading of Exempt.

MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

DIVERSITY SUMMARY

The objective of the Equal Employment Opportunity (EEO) Diversity Program is to ensure that the Hanford contractors comply with the statutes, regulations, executive orders, etc. regarding Equal Employment Opportunity and Affirmative Action. This section summarizes Hanford's progress against this objective.

EEO/DIVERSITY EFFORTS

RL established FY 99 contractor performance requirements championing diversity with the expectation that substantial female and ethnic minority employment gains would be made in FY 99. The following diversity charts indicate the contractors present percentages by gender and ethnicity. What is not evident from the charts is that the contractors made notable diversity gains in the small number of employees they added during the first half of FY 99. BHI is the exception since it has been decreasing its workforce. In that attrition, White females have fared better than minorities and White males during the process. In spite of the diversity gains, RL's minority representation continues to be more than double that of the contractors.

A continuing concern is that ethnic minorities and females are not represented in the Officials and Managers category in relationship to their Civilian Labor Force (CLF). We expect the contractors to familiarize themselves with the Secretary's Workforce 21 Initiatives. One initiative is to hire high quality, diverse, young professionals that can be mentored to assume responsible positions in the future. We continue to recommend contractors find creative solutions to providing student internships and summer employment. The RL model of partnering with Associated Western Universities (AWU), Environmental Careers Organization (ECO), and Columbia Industries can serve the contractors well.

EEO COMPLAINTS

RL has seen an increase in EEO allegations forwarded to its EEO office by contractor employees over the last six months. In the past, two to three complaints were forwarded during similar periods of time (six months) and today the average is two per month. The RL EEO Manager is scheduling monthly meetings with contractor counterparts to address this subject.

MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

STATUS

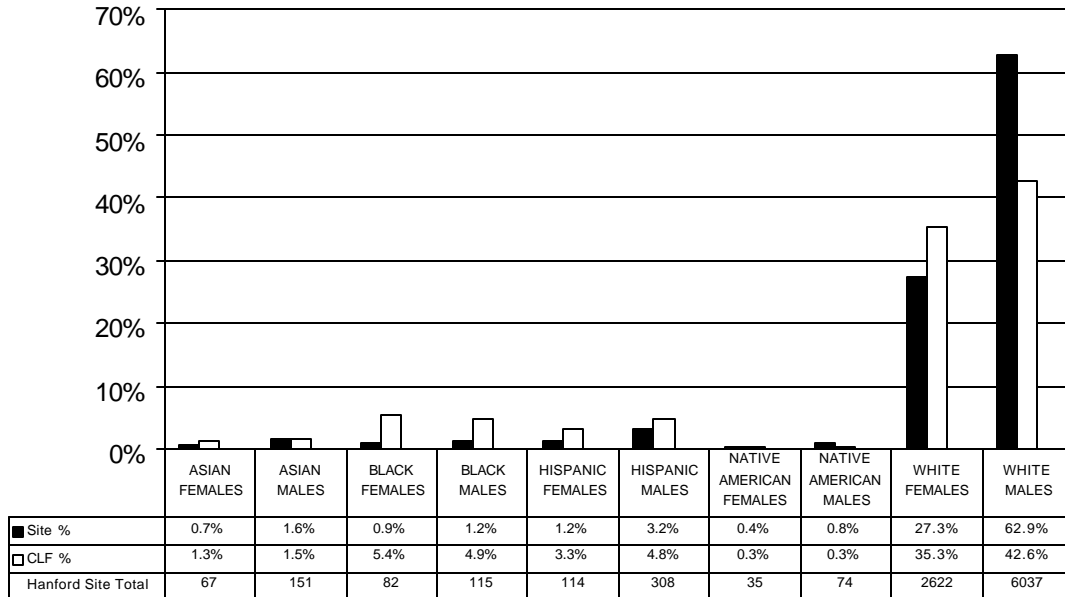
The contractors are making small gains in the percentage of minorities in their workforce, but have made important hiring gains toward their FY 99 diversity goals. Overall, the contractor workforce increased by 63 during the first half of FY 99. A positive sign is that 31 or 49.2% of the 63 were White females, 20 or 31.7% were minorities and only 12 or 19.0% were White males. At this pace, there is hope that underrepresentation may be corrected in the foreseeable future. BHI is the exception since it is decreasing its workforce. During the first half of FY 99, White females have been 8.3% of BHI's decrease, minorities 10.2% and White males 81.5%.

Contractor's minority representation ranges from a BHI low of 6.9% (a decline of 5.5%) to a high of 10.3% for the PHMC. PNNL's minority representation is 8.1%. The 9.3% minority representation for the contractors is less than half of RL's minority representation of 19.4%. White female representation also continues to lag behind the CLF. Only PNNL with a 35.3% representation equals the CLF. RL's White female's representation is 26.7%, BHI's is 27.0%, and the PHMC's is 23.0%. RL expects contractors to continue their diversity gains. RL commends the contractors for their diversity efforts during the first half of FY 99 and PNNL for its White female representation.

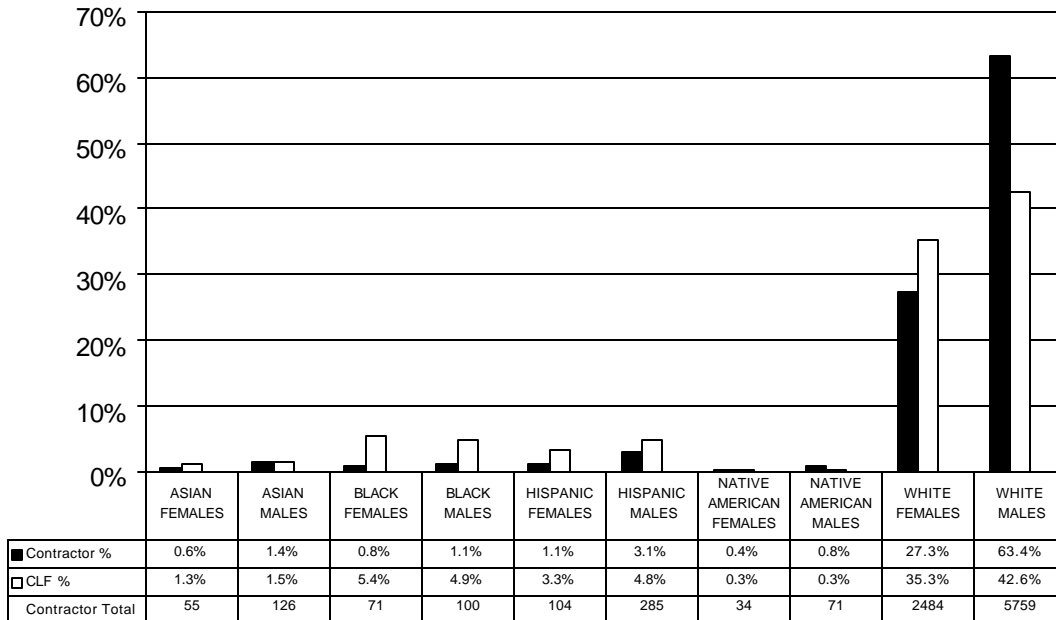
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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)
DIVERSITY STATUS

Total Hanford Site - 9605



Total Contractors - 9089



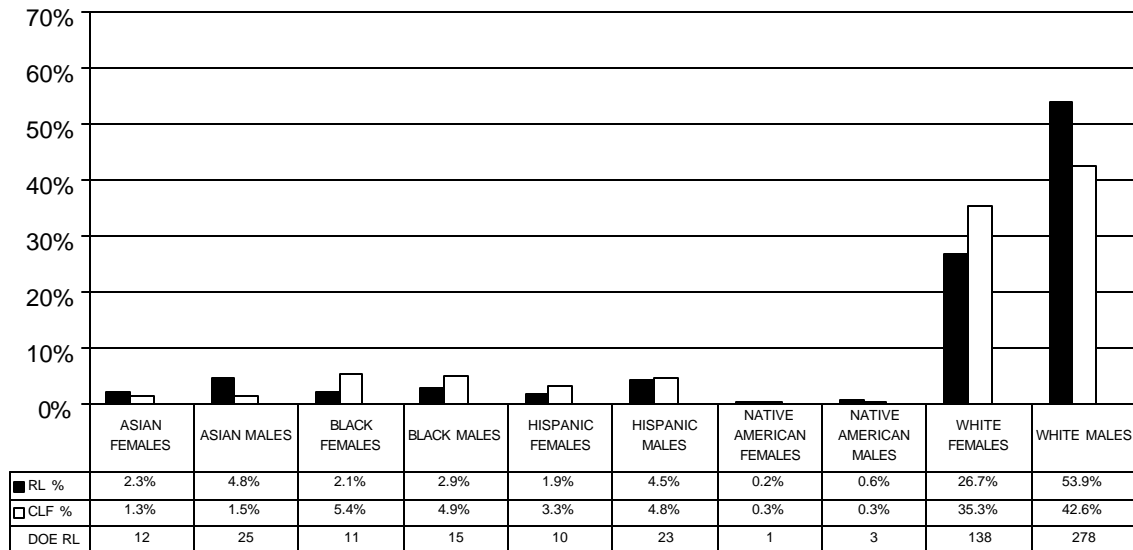
CLF = Civilian Labor Force

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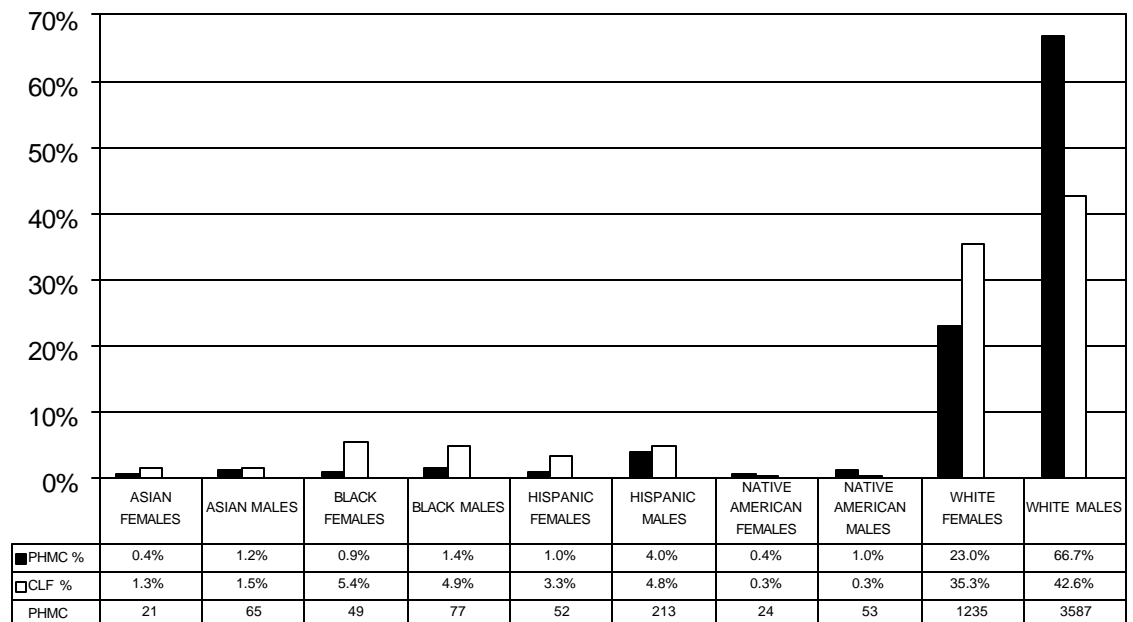
MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)

DIVERSITY STATUS

DOE RL - 516



PHMC - 5376



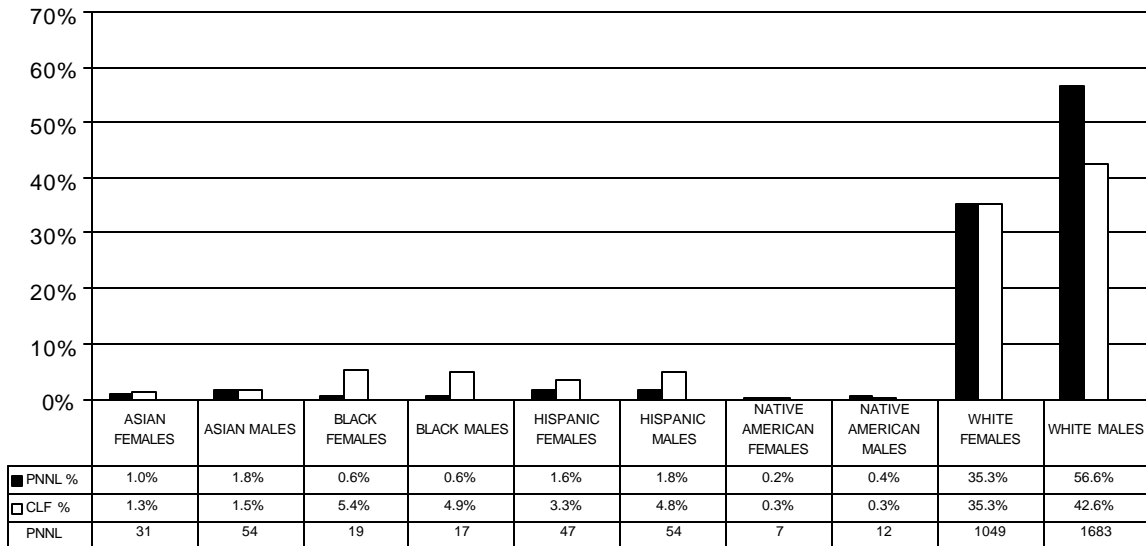
1 PHMC Employee chose not to designate, and is not reflected in these graphs.

CLF = Civilian Labor Force

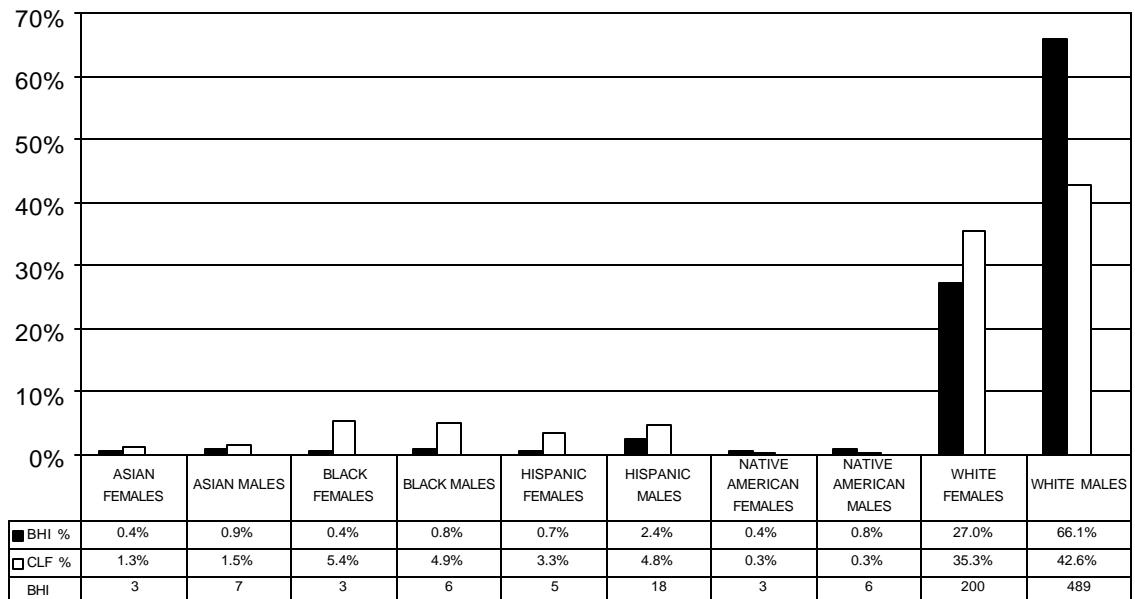
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MANAGE HANFORD TO ACHIEVE PROGRESS (CONTINUED)
DIVERSITY STATUS

PNNL - 2973



BHI - 740



CLF = Civilian Labor Force